

Serial No.: 09/588,389  
Paper Dated June 13, 2006  
Reply to Official Action of March 9, 2006

### **STATUS OF CLAIMS**

Claims 1 through 25 were pending in this application.

Claims 1 through 25 stand rejected by the Examiner.

Claims 1, 3-8, 10-15, 17, 19-20, 22 and 24 have been amended, without prejudice.

Claims 2, 9, 16 and 21 have been cancelled, without prejudice.

Claims 26 through 32 have been added.

Claims 1, 3-8, 10-15, 17-20 and 22-32 are now pending in this application.

### **REMARKS**

In view of the foregoing amendments and the remarks which follow, Applicant respectfully requests reconsideration of the subject application.

#### **Personal Interview**

Applicant wishes to acknowledge with thanks the courtesies extended by Examiners Kazimi and Campen in the interview held on April 6, 2006 at the United States Patent and Trademark Office with the Applicant and the undersigned. Applicant has also noted the Examiner's Interview Summary which indicates the issues discussed during the interview.

#### **Request for Continued Examination**

In connection with this Amendment, Applicant is concurrently submitting herewith a Request for Continued Examination, as well as a Request for a one month extension of time pursuant to 37 CFR §1.136(a).

#### **Specification**

In the Official Action, the Examiner noted that the "Brief Summary of the Invention" is more than twice as long as the "Detailed Description," and that the claims are three times as long as the "Detailed Description." In this regard, Applicant has restructured the specification as set

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forth above. No changes to the abstract have been made through these amendments. Accordingly, the abstract of record will be maintained in the application for further prosecution. In accordance with these amendments, a substitute specification is submitted herewith. See 37 C.F.R. 1.121 and 1.125, and MPEP Section 714. No new subject matter is believed to have been added in the substitute specification or otherwise by this Amendment.

The Examiner has also requested that Applicant identify any new matter added to the instant application as compared to Applicant's earlier filed application, Serial No. 09/253,880 (the '880 Application), from which the instant application has claimed priority under 35 U.S.C. §120. Although Applicant cannot confirm that it has in its possession a complete file history of the '880 Application, and numerous attempts to obtain a copy of the file history from the Patent and Trademark Office have proved unsuccessful, in an effort to expedite prosecution of this application, Applicant hereby submits the following preliminary remarks related to the '880 Application subject to its later review of the file history and supplemental remarks which may follow.

Applicant substantially rewrote the specification to clarify and better present the inventive concept set forth in the '880 Application, and to include formal drawings directed to various embodiments of the invention. For example, Figures 1 through 5 now pending in this application were added, as well as the written description associated therewith, at Paragraphs [0030] through [0036]. Although Applicant believes that the underlying inventive concept regarding these embodiments was disclosed in the '880 Application, the specific written description and figures associated with these embodiments is set forth in the present application for the first time.

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### **35 U.S.C. §112 Claim Rejections**

The Examiner has rejected all claims previously pending in this application for various reasons under §112. Without conceding to the Examiner's characterizations, and in view of the foregoing amendments and the remarks which follow, Applicant believes that the claims presently pending in this application render the Examiner's rejections moot. Nevertheless, Applicant makes the following remarks based upon the Examiner's rejections.

At the Official Action dated March 9, 2006, the Examiner has rejected Claims 1 through 25 under 35 U.S.C. §112, first paragraph, as failing to comply with the written description requirement. In the Examiner's view, the claims contain subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the invention, at the time the application was filed, had possession of the claimed invention. According to the Examiner, the language "separate from said first financial institution" is not supported by the disclosure and is new matter as such language appears at Claim 1, lines 5-6, Claim 8, lines 6-7, claim 15, lines 5-6, and at claim 20, lines 5-6.

In this regard, Applicant respectfully directs the Examiner's attention to Paragraph [0002], lines 3-4, "financial arrangements or securities offered by multiple entities," Paragraph [0018], lines 1-2, "the asset management entity and the lending entity will separately administer their respective products," as well as Figures 1 and 2, all of which provides exemplary support in the specification for the "separate from said first financial institution" claim language.

The Examiner has also rejected Claims 20 through 25, and 3 through 7 under 35 U.S.C. §112, first paragraph, as failing to comply with the enablement requirement. In the Examiner's view, the claims contain subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly

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connected, to make and/or use the invention. According to the Examiner, it is unclear what the "means for" language is directed to and that there is no enablement for the menu choice system.

In response, Applicant respectfully submits that Claims 20 through 25, and 3 through 7 do not contain "means for" language. Of the claims currently pending in this application, only Claims 8 and 10 through 14 contain "means for" language. In this regard, the claims containing the "means for" language are directed to an apparatus for creating a single financial product that combines financial elements through a single computer-based management facility. The structure set forth in these claims is enabled throughout the specification, such as, for example at Paragraph [0002], and in Figures 1 and 2. In particular, an "electronic management facility" and a "browser based internet application" is disclosed in Paragraph [0002] of the specification. In addition, the menu choice system is, for example, disclosed at Paragraph [0035] and Figure 5.

The Examiner has also rejected Claims 6 and 7 inasmuch as, in the Examiner's view, there is insufficient antecedent basis for the limitation: "third." In response, Applicant respectfully directs the Examiner's attention to Paragraph [0011] which recites "financial arrangements or securities offered by *multiple entities* such that the assets and liabilities are combined through *agreements and other such arrangements* to produce an enhanced portfolio value of the financial products." Thus, the reference to "a third legal agreement" in Claim 6 is supported by the disclosure of "agreements and other such arrangements," and the reference to "a third party facility" is supported by the disclosure of "multiple entities."

Finally, in connection with the Examiner's §112 rejections, the Examiner states:

Although indefiniteness of the claims is not an issue in this case because the specification does disclose the framegrabber and CVP as corresponding structures for the function of converting images, a failure to associate software with the converting function is a

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failure to particularly point out and claim that particular structure as a means of performing the function.

In this regard, Applicant does not understand the Examiner's reference to "the framegrabber and CVP ... with the converting function." Absent further explanation by the Examiner to the contrary, Applicant presumes that this language was included by way of clerical error.

In view of the forgoing, Applicant respectfully requests reconsideration of the Examiner's §112 rejections.

#### **Inventorship**

The Examiner has noted that two applicants have been named in this application. In this regard, the Examiner is directed to the declaration included with the Response to the Notice of Missing Parts filed on October 4, 2000. This declaration names William F. Walsh as the sole Applicant. Accordingly, William F. Walsh is the sole Applicant in this application.

#### **35 U.S.C. §103 Claim Rejections**

Claims 1, 8, 15 and 20 stand rejected as being unpatentable over United States Patent No. 5,864,828 to Atkins (hereinafter "Atkins"). Claims 2-7, 9-14, 16-19 and 21-25 stand rejected as being unpatentable over Atkins in view of United States Patent No. 4,876,648 to Lloyd (hereinafter "Lloyd"). Applicant respectfully traverses these rejections for at least the following reasons.

As an initial matter, Applicant acknowledges the Examiner's qualification with respect to the §103 rejections, at page 9 of the Official Action inasmuch as the Examiner has interpreted the prior art as best as the art could be interpreted by the Examiner in light of the specification.

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In this regard, Applicant respectfully requests that the Examiner reconsider the prior art in light of the specification as amended.

Turning now to the specifics of the Examiner's rejections, 35 U.S.C. 103(a) sets forth in part:

[a] patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time of the invention was made to a person having ordinary skill in the art to which said subject matter pertains.

Hence, to establish a prima facie case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art and not based on applicant's disclosure *re Vaeck*, 947 F2d 488, 20 USPQ2d 1438 (Fed. Cir. 1999).

Applicant respectfully submits that the cited references, either separately or in combination, fail to either teach or suggest at least each of the limitations of Claims 1, 8, 15, and 20. As an initial matter, and in accordance with amended Claims 1, 8, 15, and 20, it should be noted that Applicant's invention is directed to a single financial product which permits the investment of implicit assets present in a conventional liability product, such as a mortgage, in conventional investment products, such as, for example, stocks, money market and mutual funds, or other investment vehicles. The arrangement which permits the investment of such implicit

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assets in such investment vehicles is governed primarily by an agreement, such as an umbrella agreement, between at least two financial institutions. In this regard Applicant has amended Claims 1, 8, 15, and 20 to clarify this novel aspect of the invention.

Turning now to the specifics of the Atkins reference, as the Examiner has indicated, Atkins fails to teach an umbrella agreement. However, the Examiner has taken "Official Notice" that an umbrella agreement is "old and well known in the insurance art in the form of, for example, an umbrella insurance agreement policy or contract." Although it may be true that umbrella agreements are old in the insurance art in the context of umbrella insurance policies, Applicant's use of an umbrella agreement in the instant invention is directed to the financial, and specifically, the financial investment art.

Thus, unlike an umbrella insurance agreement or policy which is issued by an insurance carrier to a policy holder, the umbrella agreement of Applicant's invention is between financial institutions. Specifically, the umbrella agreement of Applicant's invention permits implicit assets present in an conventional liability product (such as a mortgage) held by one financial institution, to be invested in a conventional investment product held by a second financial institution. Neither Atkins, not the Examiner's Official Notice of an insurance umbrella policy, either individually or in combination, teach or suggest the umbrella agreement as set forth in Claims 1, 8, 15, and 20.

Moreover, in the complete absence of the forgoing limitations, there is no suggestion or motivation either in Atkins or in the Official Notice taken in umbrella insurance policies, to modify Atkins in order to include the umbrella agreement as claimed by Applicant.

In addition, Atkins neither teaches nor suggests many other aspects of Applicant's claimed invention, including those differences previously mentioned in Applicant's prior

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submissions. For example, in addition to the differences previously stated in Applicant's previous submissions, Atkins does not teach a financial product which permits the use of conventional liability products, such as mortgages. In fact, Atkins teaches away from the use of such conventional products. Specifically, Atkins teaches the use of a Home Owner's Preferred Equity (HOPE) mortgage, which is described as at Column 2, lines 21 through 29 of Atkins:

In the preferred embodiment, the central structural element of this integrated financial product package is a type of mortgage that features a variable amortization schedule and is secured by the pledge of real property and one or more other assets. This mortgage is called a Home Owner's Preferred Equity (HOPE) mortgage. Unlike conventional mortgages which provide for regular amortization payments, the mortgage need not be amortized.

As stated, the HOPE mortgage is clearly distinguishable from a conventional liability vehicle such as a mortgage. Accordingly, Atkins does not teach, and in fact teaches away from, the use of the conventional liability product claimed by Applicant. In addition to teaching away from the use of a conventional liability products, there is also no suggestion or motivation to combine Atkins with any of the cited references.

Accordingly, Applicant submits that at least Claims 1, 8, 15, and 20 are patentably distinct over the prior art of record. Applicant further submits that Claims 2-7, 9-14, 16-19, and 21-25 are similarly distinguishable over the prior art of record, at least by their ultimate dependency from one of a patentably distinct base Claim 1, 8, 15, or 20.

Claims 2-7, 9-14, 16-19, and 21-25 have also been rejected under 35 USC §103 (a) as being unpatentable over Atkins and in view of Lloyd (US 4,876,648). In this regard, the Examiner has acknowledged that "Atkins does not explicitly disclose the choice among each type of financial institutions." However, the Examiner further states that "Lloyd teaches the



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choice among each type of financial institutions." The Examiner then concludes that it "would have been obvious to one of ordinary skill in the art at the time of the invention to implement this feature of choice among each type of financial institutions for the advantage of comparing opportunity costs of the alternative institutions with other institutions."

As an initial matter it should be noted that Applicant has cancelled Claims 2, 9, 16 and 21. With respect to Claims 3, 10, 17 and 22, each recites the selection of at least one first and second financial institution which is facilitated by a menu choice system. In contrast, Lloyd is directed to a computerized mortgage implementation system which establishes a mortgage plan based upon mortgages at least partially collateralized by investment vehicles as an alternative to fixed rate and variable rate mortgages.

Unlike Applicant's instant invention, the investment vehicles of Lloyd are used as a hedge against interest rate fluctuations typically found in variable rate mortgages. Thus, in Lloyd, a borrower has the benefit of a fixed rate mortgage if interest rates rise, and the lender has the benefit of the proceeds of the investment vehicle if interest rates fall. Moreover, unlike the financial investment product of Applicant's invention, the mortgage plan of Lloyd is intended primarily for the benefit of the lending institution. In fact, Lloyd states at Column 1, lines 65-68 through Column 2, line 1:

. . . it would be well to have the mortgage plan include an investment vehicle, which is interest sensitive, and which is established and maintained primarily for the benefit of the lending institution.

Accordingly, Lloyd actually teaches away from the purpose of Applicant's invention which is to use implicit assets contained in a liability product, such as a mortgage, to invest in asset products for the benefit of the investor. Thus, there is no suggestion in, or motivation to

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modify, the teachings of Lloyd to combine Lloyd with any of the cited references. Therefore, Applicant submits that Claims 3, 10, 17 and 22 are patentably distinguishable over the prior art of record.

Applicant further submits that Claims 4-7, 11-14 and 23-25 are suitably distinguishable over the prior art of record, at least by virtue of their ultimate dependency on Claims 3, 10, 17 or 22.

Similarly, newly recited Claims 26, and 28 through 32 are also patentably distinct over the prior art of record at least in view of the limitations recited in each claim. Specifically, Claim 26 recites a system comprising a computerized financial management facility which coordinates the conversion of implicit assets present in a liability account into explicit assets to be invested pursuant to an agreement between financial institutions.

Claim 28 is directed to an application for creating a financial product which comprises a computer based management facility which facilitates establishing an umbrella agreement between financial institutions which includes separate agreements entered into by each financial institution.

Claim 29 is directed to system for the management of a financial liability which comprises allocating at least a portion of a payment for the financial liability, to an investment vehicle, generating a return on investment from the investment vehicle, and allocating a portion of the return on investment toward payment of the liability.

Claim 30 recites a system for the management of a financial liability which comprises investing at least a portion of a liability payment in an investment, generating a return on the investment, and allocating at least a portion of the return on investment in at least partial satisfaction of the liability.

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Claim 31 is directed to a system for the management of the satisfaction of a financial liability comprising providing a source of return on investment independent of the source of liability, investing a portion of a liability payment in the source of the return on investment, and allocating at least a portion of the return on investment to at least partial satisfaction of the liability.

Finally, Claim 32 is directed to a system for the management of satisfaction of a financial liability comprising investing at least a portion of a payment intended for at least partial satisfaction of a financial liability in an independent source of return on investment, generating a return on investment from the source of return on investment, and allocating at least a portion of the return on investment to at least partially satisfy the liability.

In view of the foregoing, Applicant submits that Claims 26 and 28 through 32 are patentably distinct over the prior art of record. In addition, Claim 27 is patentably distinct over the prior art of record because of its dependency from a patentably distinct base claim. Thus, Applicant respectfully requests early and favorable disposition of Claims 26 through 32.

**Request for Interview**

Applicant respectfully requests the courtesy of a telephonic interview with the Examiner upon receipt of this Amendment in order to expedite the prosecution of this application.

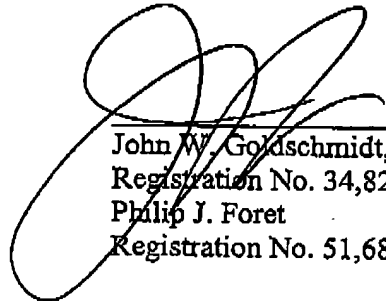
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**CONCLUSION**

Wherefore, Applicant believes that all outstanding grounds raised by the Examiner have been addressed and respectfully submits the present case is in condition for allowance, early notification of which is earnestly solicited.

The Commissioner is hereby authorized to charge any deficiencies or credit any overpayment related to this submission to Deposit Account Number 50-0979.

Respectfully submitted,



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